



House of Representatives

File No. 674

General Assembly

January Session, 2011

(Reprint of File No. 22)

Substitute House Bill No. 6233
As Amended by House Amendment
Schedules "A" and "B"

Approved by the Legislative Commissioner
April 29, 2011

***AN ACT CONCERNING PAYMENT FOR REPAIR OR REMEDIATION
FOLLOWING A COVERED LOSS UNDER A PERSONAL OR
COMMERCIAL RISK POLICY.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 38a-313a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2011*):

3 (a) Prior to commencing any repair or remediation pursuant to a
4 loss occurring on or after October 1, 2011, and covered under a
5 personal risk insurance policy, as defined in section 38a-663, or a
6 commercial risk policy, as defined in section 38a-663, the person who
7 will perform the repair or remediation shall provide [the] an insured
8 with a written notice that indicates the scope of the work to be
9 completed and the estimated total price. Such notice shall not be
10 required for (1) any repair of an automobile that is subject to this
11 chapter, or (2) any repair that is subject to chapter 400.

12 (b) If the person performing the repair or remediation fails to
13 provide the written notice in accordance with subsection (a) of this

14 section to an insured, any contract between such person and such
15 insured for such repair or remediation shall be void.

16 (c) As used in this section, "remediation" includes, but is not limited
17 to, cleaning services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2011	38a-313a

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the state or municipalities as this bill relates only to private notification requirements under a personal or commercial risk policy.

House "A" clarified the date upon which a covered loss would be subject to the provision of the bill. There is no fiscal impact for this provision.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6233 (as amended by House "A" and "B")******AN ACT CONCERNING PAYMENT FOR REPAIR OR REMEDIATION FOLLOWING A COVERED LOSS UNDER A PERSONAL OR COMMERCIAL RISK POLICY.*****SUMMARY:**

By law, a person who will perform repair or remediation work relating to a claim under a personal or commercial risk insurance policy must give the insured, before any work begins, written notice of the work to be completed and the estimated total price. This bill applies this requirement to losses occurring on or after October 1, 2011. (By law, the notice requirement does not apply to repairs (1) made to vehicles covered by an automobile liability insurance policy or (2) performed by registered home improvement contractors.)

The bill specifies that if the person performing the repair or remediation work does not provide the required written notice, any contract between the person and the insured for the work is void.

*House Amendment "A" applies current law to losses occurring on or after October 1, 2011.

*House Amendment "B" specifies that if the person performing the repair or remediation work does not provide the required written notice, any contract between the person and the insured for the work is void. It eliminates a provision in the original bill (File 22) that if the written notice is deficient, any contract or authorization the insured signed for repair or remediation work is invalid and unenforceable. It also eliminates a provision that an insurer confirm with the insured that he or she received the required written notice before the insurer approves payment to the person performing the repair or remediation

work.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (02/10/2011)